THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No, Sir. The present import duty (basic plus surcharge) on paper is 38.5%.

(b) The rates of interest, power and cost of raw materials vary from place to place/State to State. It would, therefore, not be possible to categorically say that these expenses are higher than in other countries.

(c) Adequate protection has been provided to the paper industry. The current rate of import duty is close to the general peak rate of duty of 40%.

**Bank Loan Defaulters**

711. DR. Y. LAKSHMI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) the details of rising levels of Bank loan defaults as on 31st March, 1999; and

(b) the measures undertaken to eliminate the menace?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The gross & net NPAs of PSBs for the last three years are as under:

| Year | Gross NPAs | % To Total Advances | Net NPAs | % To Net Advances |
|---|---|---|---|---|
| 31.03.1997 | 43577 | 17.84 | 20284.73 | 9.18 |
| 31.03.1998 | 45653 | 16.02 | 21232.18 | 8.15 |
| 31.03.1999 | 51711 | 15.89 | 24211.49 | 8.13 |

(b) On the advice of RBI/Government of India the banks have taken the following steps not only to check the incidence of fresh NPAs but also to attempt the recovery of existing NPAs of PSBs.

— Banks have prepared documents on loan policy, loan recovery policy prescribing the manner of recovery of dues, norms for permitted sacrifices/waiver etc., for guidance of bank officials.

— Reduction of NPAs through compromise/write offs through negotiated settlements to ensure maximum recovery at minimum expenses on the basis of a transparent and well laid out policy. Some banks have set up independent Settlement Advisory Committees headed by a retired Judge of the High Court to scrutinise and recommend compromise proposals.

(i) RBI has put in place a scheme to collect details about borrowers of banks and FIs with outstandings aggregating Rs. 1 crore and above which are classsified as "doubtful" or "loss" and accounts where suits are filed as on 31st March and 30th September each year headed by a retired Judge of the High Court to scrutinise and recommend compromise proposals.

(ii) RBI has put in place a scheme to collect details about borrowers of banks and FIs with outstandings aggregating Rs. 1 crore and above which are classified as "doubtful" or "loss" and accounts where suits are filed as on 31st March and 30th September each year and disseminate this information (in floppy diskettes) to the banks and FIs for their use while considering, on merits, the request for new or additional credit limits by defaulting borrowing units and also by the directors/proprietors/partners named in the list either in their own name or in the name of other units with which they are associated.

(iii) RBI also publishes a list of borrowers (with outstandings aggregating Rs. 1 crore and above) against whom suits have been filed by banks and FIs for recovery of their funds, as on 31st March every year.

— Banks have also set up Settlement Advisory Committees for NPAs in Small Scale Sector including Trading and Personal Segment and Agricultural Sector.

— Recovery Cells have been set up at Head Office. Targets have been fixed for various levels and recovery performance is to be monitored closely at all levels.

— Boards of Directors review top 300 NPAs of banks with special reference to the system prevailing in the banks to fix staff accountability.

(iv) In addition to above the Government of India/RBI have also initiated the following steps:—

— Debt Recovery Tribunal Mechanism has been strengthened.

— Pursuant to the instructions of the Central Vigilance Commission, RBI has framed a scheme in February 1999, for collection of information on wilful defaults of Rs. 25 lakh and above and dissemination to the reporting banks and FIs, under which the banks and FIs *viz.*, IDBI, IFCI and ICICI will be required to submit RBI the details of the wilful defaulters.

**Credit-Deposit Ratio of Banks**

712. SHRI C. O. POULOSE: Will the Minister of FINANCE be pleased to state the credit deposit ratio of the Nationalised banks for the last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): Credit deposit ratio of public sector banks for the last three years, State-wise, is given in the enclosed Statement.

**Statement**

*Credit Deposit Ratio of Public Sector banks for the last three years*

| | Name of State | Credit Deposit Ratio (Per Cent) | | |
|---|---|---|---|---|
| | | March 1997 | March 1998 | March 1999 |
| 1 | Andhra Pradesh | 80.19 | 75.27 | 71.58 |
| 2 | Arunachal Pradesh | 9.69 | 10.72 | 11.00 |
| 3 | Assam | 34.57 | 32.75 | 32.00 |
| 4 | Bihar | 29.93 | 27.14 | 25.01 |
| 5 | Goa | 25.20 | 24.38 | 23.43 |